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HOUSE BILL 2027

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State of Washington                      63rd Legislature                      2013 Regular Session

By Representatives Taylor and Takko

Read first time 04/10/13. Referred to Committee on Local Government.

1            AN ACT Relating to provisions governing the use of direct deposit;  
2 and amending RCW 41.04.240.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 41.04.240 and 2012 c 230 s 3 are each amended to read  
5 as follows:

6            (1) Except with regard to institutions of higher education as  
7 defined in RCW 28B.10.016, any official of the state or of any  
8 political subdivision, municipal corporation, or quasi-municipal  
9 corporation authorized to disburse funds in payment of salaries and  
10 wages of employees is authorized (~~upon written request of at least~~  
11 ~~twenty-five employees~~) to pay all or part of such salaries or wages to  
12 any financial institution for either: (a) Credit to the employees'  
13 accounts in such financial institution; or (b) immediate transfer  
14 therefrom to the employees' accounts in any other financial  
15 institutions.

16            (2) In disbursing funds for payment of salaries and wages of  
17 employees, institutions of higher education as defined in RCW  
18 28B.10.016 are authorized to require the following payment methods:

1 (a) For employees who have an account in a financial institution,  
2 payment to any financial institution for either: (i) Credit to the  
3 employees' accounts in such financial institution; or (ii) immediate  
4 transfer therefrom to the employees' accounts in any other financial  
5 institutions; and

6 (b) For employees who do not have an account in a financial  
7 institution, payment by alternate methods such as payroll cards.

8 (3) Nothing in this section shall be construed as authorizing any  
9 employer to require the employees to have an account in any particular  
10 financial institution or type of financial institution. A single  
11 warrant may be drawn in favor of such financial institution, for the  
12 total amount due the employees involved, and written directions  
13 provided to such financial institution of the amount to be credited to  
14 the account of an employee or to be transferred to an account in  
15 another financial institution for such employee. The issuance and  
16 delivery by the disbursing officer of a warrant in accordance with the  
17 procedure set forth herein and proper (~~indorsement~~) endorsement  
18 thereof by the financial institution shall have the same legal effect  
19 as payment directly to the employee.

20 (4) For the purposes of this section "financial institution" means  
21 any bank or trust company established in this state pursuant to chapter  
22 2, Title 12, United States Code, or Title 30 RCW, and any credit union  
23 established in this state pursuant to chapter 14, Title 12, United  
24 States Code, or chapter 31.12 RCW, and any mutual savings bank  
25 established in this state pursuant to Title 32 RCW, and any savings and  
26 loan association established in this state pursuant to chapter 12,  
27 Title 12, United States Code, or Title 33 RCW.

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